

VZCZCXYZ0000  
OO RUEHWEB

DE RUEHTH #0303/01 0401603  
ZNY CCCCC ZZH  
O 091603Z FEB 07  
FM AMEMBASSY ATHENS  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8096  
INFO RUEHZG/NATO EU COLLECTIVE PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY

C O N F I D E N T I A L ATHENS 000303

SIPDIS

SIPDIS

ISN/CPI JANE PURCELL, L/OES ASH ROACH

E.O. 12958: DECL: 02/09/2017  
TAGS: [MNUC](#) [PARM](#) [PREL](#) [PHSA](#) [EWWT](#) [KNNP](#) [KTIA](#) [GR](#)  
SUBJECT: PSI: SHIPOWNERS ALMOST THERE, FOCUS SHIFTS TO MFA

REF: ATHENS 175

Classified By: AMBASSADOR CHARLES RIES. REASONS 1.4 (B) AND (D).

¶1. (C) SUMMARY: In a February 9 meeting with Ambassador, Union of Greek Shipowners (UGS) President Nikos Efthymiou expressed a desire to conclude a U.S./Greece shipboarding agreement as soon as possible, said the UGS had not been consulted on the latest text provided to the Embassy by the MFA (reftel), and agreed in principle on the May 13, 2006, draft of article 13 with the request that the U.S. provide in a separate letter or MOU language explaining normal U.S. practice to treat injuries or damages to U.S. personnel and equipment as self-insured. Efthymiou promised to convey to the MFA that UGS concerns on liability had in principle been resolved but warned that the MFA might be hung up on third-party arbitration language out of concern for Parliamentary-opposition reaction to a shipboarding agreement with the U.S. END SUMMARY.

GREEK PARTICIPATION BOOST FOR PSI  
-----

¶2. (C) During the meeting, also attended by UGS legal counsel Anna Bredima-Savopoulou, Ambassador stressed to Efthymiou the importance of concluding a PSI shipboarding agreement as soon as possible, both because of its importance in support of U.S. and Greek shared commitment to stop possible shipment of WMD and because concluding an agreement with Greece -- one of the world's largest commercial maritime powers -- would provide a boost to the PSI program. Ambassador noted recent U.S. conclusion of agreements with Cyprus and Malta and stressed the advantages that a shipboarding agreement would have for Greek shipowners, including provision for GoG veto of any U.S. boarding of a Greek vessel provided the GoG responded within the required two-hour timeframe. Ambassador also expressed bewilderment and disappointment at the January 24 MFA text, which appeared to be practically a restatement of the Greek position of a year ago and did not reflect the results of negotiations last spring or Efthymiou's visit to Washington last May. In particular, the MFA text did not build on the provisionally agreed text of May 11, 2006.

UGS "NOT CONSULTED" ON LATEST TEXT  
-----

¶3. (C) Efthymiou claimed the shipowners had not been consulted on the recent text provided to the Embassy by the MFA and said that the UGS believed it was "almost there" on an agreement last May during Efthymiou's visit to Washington. The agreement was not concluded then, however, because, first, the UGS had introduced a hold-harmless clause to protect Greek owners and seamen from legal responsibility for any damage or injury incurred by U.S. security forces to which the U.S. side would not agree and, second, because the

GoG itself was not ready to finalize an agreement. Efthymiou said he believed there continued to be concerns in the GoG about how Parliamentary opposition PASOK would react to a shipboarding agreement concluded with the U.S. that did not contain provisions for enforcement of liability claims by an outside, third party.

#### ALMOST THERE

14. (C) Efthymiou, nevertheless, said the UGS understood U.S. concerns about binding arbitration, and there was "no question" the UGS wanted to tie up the agreement as soon as possible. After Ambassador explained U.S. opposition to inclusion of a hold-harmless clause in the May 2006 draft since it would a priori absolve Greek shipowners and operators of responsibility for possible criminal acts, Efthymiou said the UGS was willing to drop insistence on a hold-harmless clause if the U.S. side would consider providing a letter or MOU (possibly referenced in the preamble) that explained normal U.S. practice to treat damages U.S. forces might suffer as self-insured. Legal counsel Bredima-Savopoulou also requested that, at the advice of their London lawyers, an inclusion of the word "negligent" be included somewhere in the text. (NOTE: Although we did not/not discuss placement of the word with Bredima-Savopoulou, we believe it might fit in the first sentence of paragraph two modifying actions subject to administrative procedures, after the word "improper." Thus, the sentence would read: "Any other claim for damage, harm, injury, death, or loss which is suffered by the Security Forces of the Boarding Party in contravention of this Agreement, or as the result of any improper, "negligent," or unreasonable action taken by that Party, may be settled through any administrative procedure available to the claimant." END NOTE.)

15. (C) Ambassador deferred to Washington's judgment on precise wording of the text but said he thought it would be possible to include the word "negligent." Ambassador also commented that it may be possible to provide a letter or MOU explaining U.S. policy on self-insurance of damages, but he expressed concern about reference to such a letter or MOU in the shipboarding agreement preamble due to the possible political optics in the Greek Parliament. Efthymiou and Bredima-Savopoulou did not contest this reasoning.

#### NEXT STEPS

16. (C) Ambassador said he would consult further with Washington on UGS outstanding concerns, and Bredima-Savopoulou said she would consult with MFA legal advisor Fani Livada. Following these consultations, Ambassador would respond formally to the MFA on its January 24 text. Efthymiou said he had "no problem" with Ambassador telling the MFA that the UGS and the Embassy had discussed outstanding issues.

RIES